



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	HB0771	Title:	Revise actuarial valuations and reporting for retirement systems
Primary Sponsor:	Jones, William J	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Other - Pension Fund	\$54,000	\$0	\$56,000	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Other - Pension Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: This bill would require valuations on a yearly basis instead of once a biennium.

FISCAL ANALYSIS

Assumptions:

Montana Public Employees Retirement Administration (MPERA)

- Currently, MPERA normally does actuarial valuations only on even numbered of fiscal years (FY 2006, FY 2008, etc.), not once a biennium.
- The valuations occur in the Fall and costs are paid in odd numbered of fiscal years.
- The bill requires odd numbered years to also have valuations.
- Current actuarial valuations are \$52,000 and MPERA assumes an increase of \$2,000 every biennium

Teacher Retirement System (TRS)

- TRS currently does an annual actuarial valuation each Fall, so no additional costs will occur to the TRS.

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Operating Expenses	\$54,000	\$0	\$56,000	\$0
TOTAL Expenditures	\$54,000	\$0	\$56,000	\$0
<u>Funding of Expenditures:</u>				
Other - Pension Funds	\$54,000	\$0	\$56,000	\$0
TOTAL Funding of Exp.	\$54,000	\$0	\$56,000	\$0
<u>Revenues:</u>				
Other - Pension Funds	\$0	\$0	\$0	\$0
TOTAL Revenues	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
Other - Pension Funds	(\$54,000)	\$0	(\$56,000)	\$0

Sponsor's Initials

Date

Budget Director's Initials

Date